



November 21, 2016

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Lifeline Connects Coalition Petition for Waiver (WC Docket No. 11-42)

Dear Ms. Dortch,

The undersigned write in support of the Lifeline Connects Coalition's Petition for Waiver of the revised non-usage rule. The Coalition is correct that the Commission failed to adequately weigh the potential consumer harms of shortening the non-usage period to 30 days, and until the Commission rules on TracFone's Wireless, Inc.'s Petition for Reconsideration, the Bureau should waive rules 54.405(e)(3) and 54.407(c)(2). Further, the issues the Coalition raise on recent USAC Guidance and potential conflicts within the rules demands Bureau clarification to ensure certainty for consumers and Lifeline providers alike.

First, absent a waiver of these rules, many eligible low-income consumers face the significant likelihood that they will (through no action of their own) be denied Lifeline benefits to which they are entitled and for which they have expressed no desire to discontinue. Evidence in the record indicates that millions of Lifeline subscribers may lose access to vital communications services when the new 30-day non-usage rules takes effect. While most of these subscribers are expected to re-enroll in Lifeline, the harm and endangerment that results from having essential communications services cut-off in the interim should not be ignored or discounted. For instance family, healthcare providers and schools will no longer be reachable until the consumer goes through the burdensome task of re-enrolling in Lifeline, which requires a fresh eligibility determination and a fresh set of subscriber self-certifications.

In its petition for reconsideration, TracFone explains that its subscribers' non-usage during a 30-day period occurs for a variety of legitimate reasons including travel and illness. Sprint also identified primary causes of inactivity such as a lost or misplaced handset, a subscriber in the hospital, or a broken handset. A filing by the Alliance for Retired Americans also noted that many users "may temporarily stop usage because they are in respite care, recuperating in a hospital, or have moved in with other

family members temporarily for health or other personal reasons.” Although the FCC justified reducing the non-usage and notice periods to 30 and 15 days respectively as a tradeoff with adding outgoing text messages as usage, counting text messages as usage would not save a Lifeline subscriber recuperating in a hospital or traveling overseas from being de-enrolled.

Further, when a subscriber is de-enrolled it is a common practice among ETCs to un-assign a de-enrolled subscriber’s phone number. When the subscriber re-enrolls in Lifeline, even if it is with the same provider, they will likely get a new phone number. This requires the subscriber to update their contact information with their family members, health care providers, schools and childcare facilities. This added burden for de-enrolled subscribers could cause them to miss key communications.

TracFone states that roughly 25 percent of its Lifeline subscribers who are de-enrolled under the non-usage rule end up re-applying for Lifeline service the following month with an average of 70 percent of those subscribers seeking to re-enroll during the first 15 days of the following month. Sprint filed similar data, stating that for those subscribers with no activity during a 30-day window, 38 percent resume their usage within the next 15 days, while 66 percent resume usage within the next 60 days. The Joint Lifeline ETC Petitioners, which included Assist Wireless, Easy Wireless, Prepaid Wireless Group, and TruConnect, also expressed support for TracFone and Sprint’s positions, providing the results of an analysis one of the Joint ETC Petitioners conducted, where about three times the number of individuals would be de-enrolled under the new 30-day non-usage period compared to the 60-day non-usage period.

Not a single party opposed TracFone’s request that the Commission reconsider shortening the non-usage period. The industry is in unison, providing corroborating evidence that the impact to consumers will be severe. Considering many Lifeline recipients are among the most disadvantaged in our society, the Commission should explain why it is or is not compelled by the evidence presented on the potential consumer impact of the shortened non-usage period. In the interim, the Bureau should waive the rule to minimize the harm to consumers.

Second, the Coalition’s concerns about recent USAC guidance have merit. ETCs should all be operating under the same rules, and those rules must be consistent with what the Commission has ordered. As the Coalition has explained, USAC’s current interpretation could cause significant consumer confusion at a time that ETCs will be explaining a host of complicated changes to Lifeline recipients. The Bureau would be acting well within its authority to clarify how USAC and ETCs should implement the revised non-usage rule on December 2 (or should the Bureau temporarily waive the rule, whatever date the rule becomes effective).

Third, ETCs deserve clarity on the rules and fair treatment under the rules as they seek to deliver compelling and advanced services to consumers. The Bureau should waive section 54.407(c)(2) because it conflicts with the plain reading of section 54.407(a). On December 2, 2016 ETCs will unveil plans for robust broadband service offerings, plus advanced handsets. If ETCs are to provide these advanced services and devices, those services must be supported. Rules that do not provide for equitable and efficient program administration result in harm not only to ETCs but to consumers and to the program itself.

With the effective date of the non-usage rule fast approaching, the Bureau must act quickly to provide clarity on the rules and minimize potential consumer harm. For all the reasons outlined above, we urge the Bureau to adopt the requests set forth in the Lifeline Connects Coalition's Petition for Waiver.

Respectfully,

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